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## MINUTES OF THE REGULAR MEETING OF THE CHULA VISTA REDEVELOPMENT CORPORATION (CVRC)

September 25, 2008

6:00 P.M.

The Regular Meeting of the Chula Vista Redevelopment Corporation was called to order at 6:02 p.m. in the Council Chambers, located in City Hall, 276 Fourth Avenue, Chula Vista, California.

### CVRC ROLL CALL

PRESENT: Directors: Desrochers, Munoz, Paul, Reyes, Rooney, Salas and Chair Lewis

ABSENT: Directors: None

ALSO PRESENT: Interim Executive Director/Interim City Manager Tulloch, Deputy City Attorney Shirey, Redevelopment & Housing Assistant Director Crockett, Redevelopment & Housing Manager Mills, Project Coordinator Dorado, Development Planning Manager Ladiana, Senior Planner Walker, Conservation & Environmental Services Director Meacham, Executive Assistant to the City Manager Peoples, Senior Administrative Secretary Fields

### PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

### CONSENT CALENDAR

#### 1. WRITTEN COMMUNICATION

Memorandum from Rafael Munoz requesting an excused absence from the CVRC meeting of August 28, 2008.

#### 2. APPROVAL OF MINUTES

Staff Recommendation: Approve the minutes of the Special Meeting of August 28, 2008 and the minutes of the Regular Meeting of August 28, 2008.

ACTION: Director Desrochers moved approval of the Consent Calendar. Director Rooney seconded the motion and it carried 6-0-1 with Director Munoz abstaining.

#### 3. DISCUSSION/PRESENTATION ITEMS

##### A. WAKELAND – LOS VECINOS

Redevelopment & Housing Assistant Director Crockett introduced Project Coordinator Dorado who provided a project overview which included the project site, prior site conditions, project developer background, project description, environmental features, site preparation, framing, interior and energy components, leasing, and proposed income levels and rents.

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Assistant Director Crockett stated that he would bring back fund balance information to the next CVRC meeting.

## B. PROPOSED CAPITAL IMPROVEMENT PROJECT(S) IN SOUTHWEST REDEVELOPMENT PROJECT AREA

Redevelopment & Housing Assistant Director Crockett stated that this item was being presented for discussion and CVRC direction on an existing strategy in the Southwest Redevelopment Project Area. He then provided the history, which included the five-year implementation plan; redefining of the designation of the 6 redevelopment project areas by removal of the colors and division as North – to be governed by the Urban Core Specific Plan, the West – to be governed by the Bayfront Master Plan, and the South – to be governed by the soon to be starting Southwest Specific Plan and or Plans; focus in the South redevelopment area; existing conditions; five-year implementation plan - public infrastructure and amenities; focus on the Main Street corridor capital improvement program.

Conservation & Environmental Services Director Meacham provided an overview of the project proposed by the California Energy Commission, the MMC Peaker Plant. Mr. Meacham provided information such as the project location, peak load power plant design and definition, facility status, and California Energy Commission process time and estimated timeline.

Assistant Director Crockett stated that if the California Energy Commission were to recommend approval of this project, and if the project were to be built, it is estimated to have a value of \$80,000,000 which would be an extreme infusion of investment into an industrial area. He then provided an estimated tax increment breakdown for one year of valuation. In general the bottom line to the RDA could be close to \$400,000 annually which would be estimated at anywhere between \$7-\$10 million in bonding capacity. Based on this potential opportunity of tax increment, staff is asking the CVRC if, based on this, they should continue and include this strategic objective into the next 5-year plan. And if so, should all revenues from the proposed peaker plant be dedicated to fund the Main Street improvements, noting that a bond on just the peaker plant would not be issued. It would be a larger bond based on the entire merged project area. The bonding capacity of the peaker plant would be evaluated, and that amount of money would be programmed into funding the capital improvement projects for the Main Street improvement program.

Interim Executive Director Tulloch reviewed the aerial map, which showed that the improvements being discussed were centered around the location of the proposed peaker plant, and although staff was being told by the Air Pollution Control District and others that there would be no significant increases in air pollution from the proposed plant, staff feels that because the project is being done in that neighborhood, they should try to make any improvements that they can in the same area which in turn would spur on development. The projects staff proposes were identified by the Engineering Department as what the infrastructure needs would be, however, staff would be soliciting participation through the Southwest United In Action Program to assist in doing this.

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Chairman Lewis stated before opening discussion by the Board that he wanted to remind them that they were not to get into discussion on the merits of the peaker plant itself as that was being handled by another entity. Discussion should be solely on the infrastructure improvements should the project be approved.

Director Salas inquired as to what the total potential tax increment was that could be used.

Assistant Director Crockett stated that staff could estimate the value of the improvements that would be placed in the light industrial area and what that would generate in potential tax increment if they were able to put in infrastructure to relieve private investors from having to do that. He will provide a report back with this information.

Director Desrochers inquired as to what the current Tax Increment was from the current peaker plant. He asked if it was new money or if it included the net gain after the old peaker plant was removed. Assistant Director Crockett stated that the base year value was not removed and was currently about \$3.1 million, which would be a \$77 million dollar project in estimated figures.

Assistant Director Crockett also stated that City staff had been working with the property owners in the area to assist in bringing them up to code, and that it was staff's hope that given the infrastructure burden that these private property owners face, in due time, they would be able to redevelop their properties as the general plan and specific plan call for.

Director Reyes inquired as to whether the future plans were looking at just infrastructure or streetscape and landscaping. Assistant Director Crockett responded that staff had laid out the strategic plan to have the planning documents done first, like the Urban Core Specific Plan, to lay out the design parameters, which would identify the vision to be implemented and then once approved by the policy makers, move forward on creating improvement plans and issuing the bonds to do the improvements.

Director Rooney inquired as to the environmental portion of the plan and whether the park to the south of the proposed project was an existing park. Assistant Director Crockett responded that the entire southern boundary of the area was the Otay Valley Regional Park, which contained trails and a ranger station. Interim Executive Director Tulloch added that one of the improvements being looked at in working with the County and City of San Diego, who partner with the City on the park, was adding active recreation in those areas and within the northern portion of the site of the park off Main Street to take some property and create an access/opening that would invite people into the park and allow parking. This has also been added to the list of items to discuss with the community to determine if it fits as one of their priorities.

Assistant Director Crockett reiterated that the items identified as projects were just a view of what could be possible, but were not programmed, as the final determination would come out of a process with the community about priorities, funding, and what makes the most logical sense to put first versus second.

Chairman Lewis, in conclusion, stated that there was a lot of work ahead for the CVRC and staff to do. He suggested that anyone who had not been down into Southwest area go down and take a look. He further noted that the costs imposed on any developer to do anything in that area was exorbitant, and that he supported the designation of the Tax Increment for that area.

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## C. PLANNING ENTITLEMENT PROCESS IMPROVEMENTS AND EXPANDED ROLE OF THE CITY'S ZONING ADMINISTRATOR

Development Planning Manager Ladiana provided an introduction, stating that the staff report was intended to provide information and preliminary recommendations on staff efforts to improve the planning entitlement process including the proposed expanded role of the existing Zoning Administrator. She then reviewed for the Board the topics staff re-examined in the current entitlement process, noting that the intent of the presentation was to provide the CVRC with a more detailed strategy for changes, for decision making thresholds where cost and time savings could be realized while encouraging development activities.

Senior Planner Walker provided an overview on the existing Conditional Use Permit Zoning Administrator decisions; existing design guidelines; expanded Zoning Administrator/Hearing Officer function; benefits and process flow chart; proposed design review thresholds and Conditional Use Permit thresholds.

Development Planning Manager Ladiana provided an overview of the first page of the decision matrix for Conditional Use Permits including how staff came to the conclusions listed therein and commented on Municipal Code Section 19.58 items which also must be met.

Senior Planner Walker concluded with an overview of other proposed process improvements and stated that the modifications presented were necessary to improve process efficiency as a result of budget and staff reductions and the need for cost and time savings; requested CVRC input on the proposed design review thresholds and stated that if the CVRC recommended approval of the proposed modifications, staff would incorporate them into formal amendments to the Chula Vista Municipal Code and into the By-laws of the CVRC as necessary. Staff would return to the CVRC with formal recommendations prior to consideration by the City Council.

Pat Aguilar, Chula Vista resident, stated no opposition to the overall basis on principal of giving the Zoning Administrator more authority for projects that are minor and non-controversial. However, she felt some massaging was needed on the issue of design review in that on the Eastside where there were SPA plans, the proposed increase was okay, but 20 units was too large on the Westside where infill projects would be required and a complete design review should be required. She stated that perhaps 8-10 units would be more applicable. She added that nothing should be allowed to happen on Third Avenue between E and G Avenues to the exterior of a building, stating that any project, no matter how small, should go through full design review. On the issue of consolidation of meetings, she said that it makes sense to have one body, but at least two meetings so as not to limit public participation. She suggested that the Planning Commission use of a Consent Calendar for minor projects could be used by the CVRC as a time saver. Lastly, she added that since the Zoning Administrator is going to have more authority, they should notify the Planning Commission and CVRC of all applications received and provide a monthly report of what has been approved.

Ms. Aguilar will return once the Crossroads Board has had the opportunity to discuss this topic further.

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Director Rooney inquired and Development Planning Manager Ladiana responded that one member of the CVRC with design/architectural background would participate in advisory capacity on projects within the redevelopment area on projects that would be handled by the Zoning Administrator that would not be brought to the full CVRC Board. Director Rooney also concurred with Ms. Aguilar's recommendation for reporting by the Zoning Administrator to the Planning Commission and CVRC.

Director Reyes made inquiry on the timeline of implementation and whether applicants would have the option, if the project straddled both inside and outside the redevelopment area, to go with Council or CVRC review. Ms. Ladiana stated that staff was currently suggesting that the decision making body for these types of projects would be the one that had the most land in the project site. Currently the code requires both decision making bodies weigh in. Regarding the timeline, Ms. Ladiana stated that staff had hoped to make the minor modifications by the end of the year after reaching a consensus of the general comments.

Director Salas inquired as to whether projects requiring Agency financial assistance would continue to come before the CVRC. Assistant Director Crockett responded that any project where the Agency had participation would be heard by the CVRC for advisory recommendation to the Redevelopment Agency.

Director Paul stated that he encouraged any amendments that would make the process simpler and less expensive, and asked how the role of the Redevelopment Advisory Committee (RAC) might change under the proposed changes. Ms. Ladiana stated that the information item this evening did not address that process. She stated further that currently if something is administrative, it does not go to the RAC, which only sees items that go to the CVRC.

Director Desrochers complimented the Planning staff on the direction they were going, and concurred with comments made by Ms. Aguilar regarding reporting back and the suggestions regarding Third Avenue.

Chairman Lewis congratulated staff for thinking outside the box and heading in the right direction. He then inquired and Development Planning Director Ladiana responded regarding a consolidated hearing, which currently has multiple bodies considering the same project. The proposed consolidated concept would provide for example, a project requiring a design review and conditional use permit, bumping up of the decision if outside the redevelopment area to the Planning Commission. The whole project would be reviewed in this process, as opposed to each individual action, which would eliminate several months of hearing, and provide more predictability not in the outcome, but in the process for the applicant. Chairman Lewis suggested staff look to establishing a goal for projects from start to finish, and stated that he would suggest a modification to one of Ms. Aguilar's suggestions to say "up to" two meetings if required and at the discretion of the Chair of the meeting in case the project was able to be accomplished in one meeting, so as to be more flexible with the authority. He then agreed with the oversight and review of all activities of the Zoning Administrator as suggested by Ms. Aguilar, and asked the staff as they move forward to keep in mind that their reason for putting this together was to streamline their department, and he encouraged them to continue to do the right thing.

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## PUBLIC COMMENTS

There were none.

## ACTION ITEMS

There were none.

## 4. CHIEF EXECUTIVE OFFICER'S REPORTS

Interim Executive Director Tulloch provided the Board with details of the process of his appointment to the Interim position and the Council's pursuit of a new City Manager/Executive Director stating that during the process the work flow should remain seamless.

Assistant Director Crockett stated he had provided the Directors with a flyer on a "Making Density Work" Training program that was being held October 10, 2008 at Liberty Station in Point Loma, and requested that if any of the Directors wished to attend, they contact staff in time to make the registration deadline of October 7<sup>th</sup>.

### A. STATE BUDGET

Assistant Director Crockett advised that the State had decided to shift \$860,000 in revenue for this fiscal year, back into the State Takeaway Education Reimbursement Augmentation Fund, which will trickle back to the schools. This is significant because it is based on gross revenues and does not take into account any existing obligations. Staff will be working with the Finance and Budget Departments to determine what options are available. Mr. Crockett then explained that in the past, California Communities, if they had enough interest, had issued bonds on behalf of redevelopment agencies to make the payment, which in this case is due in May of 2009, and then the redevelopment agencies would make annual payments plus interest back to California Communities. He then advised that currently the Department was maintaining four vacancies to make sure they had a balanced budget this year. A full report with the steps decided upon will be brought back.

## 5. CHAIRMAN'S REPORTS

There were none.

## 6. DIRECTORS' COMMENTS

Director Rooney complimented Redevelopment and Housing Manager Mills on the Affordable Housing Workgroup meeting held regarding where affordable housing was going in Chula Vista. Ms. Mills had pointed out that the current policy was geared towards Eastern Chula Vista, but there were not the same incentives needed for a redevelopment area, and these needed to be reviewed to make sure they also work for Western Chula Vista. Additionally, one of the discussions that came up was with the foreclosure situation and the possibility of looking at land banking.

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## ADJOURNMENT

At 7:31 Chairman Lewis adjourned the meeting to the Regular Meeting of October 23, 2008 at 6:00 p.m. and noted that the October 9, 2008 meeting had been cancelled.

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Eric Crockett, Secretary

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